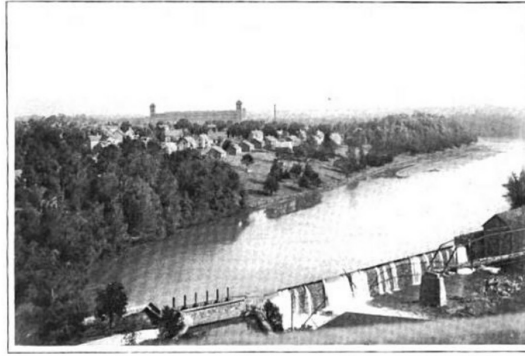


**(Pelzer) An  
American  
Industrial  
Experiment**

**Richard T. Ely**



GENERAL VIEW OF PELZER, SOUTH CAROLINA

## **An American Industrial Experiment**

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THE one man power in the sphere of political government is looked upon as mediaeval, and where it lingers on as in Russia it is regarded as a belated survival out of harmony with the free atmosphere of the twentieth century. When we turn to industrial life, on the other hand, we find the one man power still achieving triumphs so remarkable that they startle us. A single individual, dominating a colossal modern corporation, a so called trust, may through his control over capital and labor direct in accordance with his judgment and will a very considerable proportion of the economic energies of an entire nation in their movements. But as we feel the touch of industry ten times where we are conscious once of the controlling hand of political government, the one man power bulks as the large and chief thing in our twentieth century life of society.

Yet always we have at work among us the strong, the impressive democratic ideal, which simply refuses to be confined within fixed metes and bounds. We may say, "Thus far and no further," but the democratic forces move forward, heedless alike of our commands and entreaties. The nineteenth century witnessed the partially successful effort of democracy to invade industry; the twentieth century opens on this effort, looming up as the source of the chief struggles and conflicts of the next fifty years or more.

Absolutism in politics is receding into past history; in industry it belongs to the present, but is checked and limited in a multitude of ways. Statutes control it in the employment of women and children, and it finds barriers in educational laws. Organization of toilers establishes opposition, sometimes of a very effective sort. The absolutism which springs up from industry and the democracy which takes its origin in the State furnish us with conflicting ideals, which enter all spheres of social life, literature, art, religion, ethics, etc. Unless we bear in mind this conflict, the culmination

of ages of struggle, we are without the key which explains what is most fundamental in the social forces which make modern society what it is.

Benevolence has the two ideals, the paternal, the absolutistic, and the democratic: the one proceeding from above, the other coming up from below; the one looking to the strong to do things for the people, the other looking to the people to do things for themselves.

The purpose of the present article is to give a concrete study of pure autocracy in industrial affairs. Pelzer, South Carolina, furnishes an excellent illustration of a type, as in Pelzer we find a very high development of industrial absolutism, coupled with far more than the ordinary degree of paternalistic benevolence.

Pelzer is a place of some 6000 inhabitants, situated on a high table-land in the northwestern part of South Carolina. It is about twenty miles from Greenville, and is on a branch of the Southern Railway. Through the town flows the Saluda River.

The surrounding country is still given up chiefly to cotton, although some little progress seems to have been made in introducing a diversified agriculture.

Eighteen years ago where Pelzer now stands was a log cabin. This was the beginning. The Pelzer Corporation has acquired a large tract of country, and extended its operations until it has four cotton-mills and approximately 2800 employees. The company owns all the land, all the houses, and nearly all the buildings in the place. The few buildings which it does not own, as, e. g., the churches, are built on leased land. There are besides the four cotton-mills three other institutions of an economic character in the place, viz., a savings-bank, an oil-mill, and a mattress-factory. But the president of the milling corporation is also president of these other concerns. There are perhaps a dozen retail "stores" operated in buildings which belong to the company.



VIEW IN 1881 OF SITE WHERE PELZER NOW STANDS

Pelzer is a "place" and any such term as town or city has only a figurative use when applied to Pelzer. It is a large piece of private property in Anderson County, State of South Carolina, and the owners have all those rights in and over Pelzer which arise out of the nature of private property; and private property, it must be remembered, is the chief basis for social authority in our day. No one may remain in Pelzer save with the consent of the owners, just as no one may remain in my door-yard in defiance of my commands. The lives and destinies of six thousand people are in the hands of a modern industrial corporation, and the limits of its power are found chiefly in the stubborn sort of stuff of which human nature is composed.

The head of the Pelzer Corporation has a power in his domains such as no monarch can boast. Who is he? The impression produced by the personality of the man is in harmony with his position. Captain Ellison A. Smyth is his name, but usually he is known simply as "The Captain." Do you want information about Pelzer? "The Captain" will tell you. Do you wish permission to live in Pelzer? Ask "The Captain." Would you like to know who that young lady is walking along the street? "Why, that's The Captain's daughter." "And who is that other lady?" "Don't you know? That's The Captain's daughter-in-law." "And who lives in that fine house with the beautiful grounds?" "That's where the Captain lives."

We have, then, in "The Captain" the ruler of this community, a ruler whose rights are coextensive with those given by private property, and, as already stated, those rights of control go far beyond any mere political authority. No municipal elections are held. They take time, involve expense, and would interfere to a considerable extent with the control of "the Captain." Now, no political power above the corporation is nearer than the county. We may thus speak of the government, of Pelzer as an absolutism. We may go a step further, and speak of it as enlightened absolutism; and as its primary purpose is profits, we may call it an instance of enlightened absolutism of the commercial type—the type of absolutism which belongs to our day, now that political absolutism is passing away.

The longer one studies Pelzer the more clearly one sees evidence of a desire to do what is possible, consistently with profits, to promote the welfare of this great family of six thousand souls, and we may go a step further and say this: In case of doubt, there is evident inclination to make an interpretation of interests favorable to the population.

Perhaps no building is more conspicuous than the school-house, and in this particular Pelzer resembles many a city which can be seen on the Western prairies. Is there not a touch of pathos in the sight of a little city on the plains of Kansas—with poor little houses, set down on the dry, parched ground, looking for all the world like children's toy houses, and a comparatively imposing school-building, the one fine building in the place, the centre of aspirations and the source of uplift, from which go forth young men and women, making themselves felt in the industries and councils of the nation? But in the Western town the people have built the school-house for themselves; in Pelzer it has been done for them. Yet in Pelzer they would not otherwise have had the school-house—or anything even approximating it. School is "kept" ten months in the year, instead of three or four months as in most other places in the State. So far as I know, it is the only place in South Carolina which enjoys what now ought to be a universal privilege of childhood, namely, compulsory education. But this is the result of the enlightened absolutism which obtains there. Those who seek work in Pelzer must, as a condition of obtaining it, sign an agreement which includes this clause: "I do agree...

*"1. That all children, members of my family, between the ages of five and twelve years, shall enter the school maintained by said company at Pelzer, and shall attend every school-day during the school session, unless prevented by sickness or other unavoidable causes."*

It is noteworthy that this comes first among the five clauses in the simple agreement. Moreover, regularity of attendance is encouraged by giving a prize of ten cents per

month to each child for attendance without absence. The prize money thus distributed amounts to about \$50 per month.

What shall we say of this compulsory education "from above"? Under the circumstances it deserves only praise both from the social and economic point of view. It would not have come otherwise, and with education, as John Stuart Mill long ago pointed out, the greater the need, the less keenly is it likely to be felt. The community is in this part of the country largely illiterate, although gifted with a certain natural keenness. The stock is American with a minimum intermixture of foreigners. Again, no one can understand Southern society who does not appreciate fully the social stratification which has come as a result of slavery. We have an upper class of educated, cultured, and refined people, comparatively small in numbers, but the natural leaders of the people. From this class came the strong Southern statesmen of the old regime. Then we have the untravelled, extremely provincial, and uneducated whites; and far below them, the negroes. When Pelzer was started, probably seventy-five per centum of the adult population could not read or write; the percentage is now, after eighteen years, reduced to fifteen or twenty, and the illiterates are chiefly the new-comers from the farms and mountains. But the opposition to education has not as yet entirely disappeared. Here, as elsewhere, we find parents who wish their children to have a better life than they have had, as every worthy parent must; but we also find those who have a jealous envy of any superiority on the part of their children, and think, because they have lived without knowing how to read and write, their children should grow up ignorant. Probably there is also a belief on the part of some that ignorance and virtue are natural allies. One mother protested that she never knew an educated man who was not a rascal.

But I have said that the policy followed has its economic justification. An ignorant people cannot be good producers of wealth. Captain Smyth believes that education has been profitable to the company, and I have little doubt about this. Certainly my observation was not extensive, but I saw nowhere else such keen, alert, open-eyed, intelligent-looking workers in a cotton-mill—physically and mentally the best mill population I saw in the South. Often the economic effects of education are overlooked or inadequately appreciated. No community is going to be able to hold its own in the intensive international struggle of industry upon which the twentieth century has entered unless its workers are mentally trained. Not that mental training alone is enough, but it is essential in our complex industrial society.

But the educational provision for the population of Pelzer does not end with the good school provided by the company. A lyceum with an excellent reading-room and a well-lighted library of some five thousand volumes are kept open in the evening after working hours. Entertaining and instructive lectures are also given from time to time.

Attention is directed to the training of the body also in the provision of opportunities for wholesome forms of athletic exercises and recreation. A baseball-field is found on the edge of the settlement, and baseball seems to be the favorite sport. A "Smyth Wheel Club" indicates that bicycling has its adherents, and a company belonging to the militia, called "The Smyth Rifles," shows that arms are not neglected.

If one comes to Pelzer from a New England or New York State village, the impression produced by the place is that of a rather squalid and mean settlement; but it should be

visited after an inspection of other mill villages, especially of the cabins in the rural district, and then one sees its place in the evolution of industrial society, and has thus a correct point of view. Moreover, some things which the Northerner may not like are due simply to a difference of climate; the absence of cellars, for example. At first, one does not like the appearance of the houses perched up on a few supports, so that one can see beneath the houses; but cellars are not needed, and the people would not know what to do with them.



A MODERN COTTAGE IN PELZER

The cottages, with three or four rooms each, rent for fifty cents per month per room. A piazza is almost invariably found, and a little plat of ground surrounds the house—generally a double cottage. Not so much variety in the buildings exists as would easily be practicable, but there is not quite the degree of sameness found elsewhere. Flowerbeds and growing vines show an increasing appreciation of beauty, and this has been wisely stimulated by prizes offered for the most attractive-looking cottages and yards. The place is pleasantly rolling, the river Saluda with the dam and large mill-pond is beautiful, the forest surrounding the large group of cottages forms an attractive natural park, while the mountains in the background give a charming finish to the scene. Probably there are few more healthful regions in the United States; the birth-rate is high, and the death-rate low.

South Carolina is under the dispensary law, and as there is no dispensary near Pelzer, there should be little or no consumption of alcoholic beverages; but even the power of private property when superadded to the political power of the State has its limitations; and there is reason to believe that on pay-day “blind pigs” are in operation on the surrounding hills. Still, Pelzer must be commended as a place with conditions favorable to temperance and even total abstinence.

There can be no home-ownership in Pelzer, inasmuch as the company sells no property; and manifestly such ownership by the operatives would hamper the dominion of the corporation. The ownership of property is something essential and fundamental in a free country, and it has always been the policy of the United States to encourage in particular the ownership of homes. If homes could be owned in Pelzer, it would promote the accumulation of property, and likewise check the unfortunate roving habit of the people, who are now free to come and go as they please, subject only to the clause in the “Agreement” above mentioned, that two weeks' notice must be given alike by employees and employer.

On the other hand, the savings-bank encourages thrift, and the deposits amount to nearly one hundred thousand dollars—too small a sum—but good as far as it goes. The generous rate of one per cent, quarterly is paid depositors. In Pullman, some years ago, I

found that the employees feared to make deposits in the company bank, thinking that the result might be a reduction in wages. While I think there is no ground for such apprehension in Pelzer—and very likely there was none in Pullman—and while among the Pelzer population probably the feeling does not exist, it is obvious that postal savings-banks would better meet modern needs. Having recently traveled some eight or nine thousand miles, and having constantly in mind this question put to me in San Francisco, “What is the greatest present economic need?” I am inclined to hold that no one measure would do more to cultivate the economic virtues and to promote the economic welfare of the people of the United States than postal savings-banks. But they do not now exist, and those employers who encourage thrift deserve the greater praise.

The economic freedom and contentment of the workers were in the mind of the controlling influence when it decided against “company stores”—one of the worst curses of many industrial regions. Competition exists among the stores, and the employees are as free as others in their purchases.

One of the worst evils in the South is child labor, and the pale-faced little girls and boys one sometimes sees must cause sorrow to all sympathetic and thinking persons who appreciate what this abuse carries with it. In North Carolina, to defeat legislation, the mill-owners entered into an agreement not to employ children under eleven, but parents frequently misrepresent the ages of the children, and the worst class of employers are indifferent, showing the need of well enforced legislation to bring the meanest employers up to the level of the better intentioned. In South Carolina there is a law which prohibits in ordinary cases the employment of children under eleven, exception being made, as in the North Carolina agreement, of children whose work may be needed on account of the widowed condition of the mother or the disability of the father. The Pelzer Company goes a step further, and establishes compulsory education up to the age of twelve; but evidently parents misrepresent the age of children in some cases.

Perhaps the greatest evil of all, however, is night work, elsewhere so prevalent, as it tends to break up the homes, enfeebles the constitution, and generally demoralizes the population. This evil does not exist in Pelzer at all.

Another evil is the length of the working-day, averaging eleven hours in North Carolina and South Carolina. Such long hours in the atmosphere of the mill make sad drafts upon the physical and nervous system, and impair the work of the schools, churches, lyceums, etc. We all know from experience that in case of weariness we are more accessible to suggestions from our lower natures, and less open to those pleasures which proceed from the exercise of the higher faculties. One pastor reports that when a mill in North Carolina, in order to curtail production, reduced the length of the working-week from sixty-six hours to fifty-seven, the attendance at church and Sunday-school services increased forty per cent.

But one must not be rash in passing judgment or in prescribing remedies. Civilization is a complex process. Doubtless it is frequently better for the children to be in the mills than idle on the streets, and in many cases this is the alternative. Intelligent and well-meaning employers in the Carolinas are urging that compulsory education be coupled with labor laws for the protection of the children. Increased school facilities and compulsory education are one of the chief needs of the South, and let us not fail to

render due honor to Captain Smyth and the Pelzer Company for their voluntary steps in this direction.

But something more is needed still. Busy children frequently support idle, "trifling," loafing fathers, unworthy of parenthood. Yet there are cases where at present the alternative is the work of children or dire distress, particularly in the case of widows. What is needed is not the sacrifice of the future to the present, as in the case of child labor, but provision for the support of the needy family. Here, again, we see how complex civilization is, and how measures of improvement must be suitably related to one another. The absence of a proper system of relief of honest poverty in the South is deplored by right-minded persons.

Some fifteen years ago I described Pullman in the pages of Harper's Monthly Magazine, and at the time the unfavorable verdict which I felt forced to render was deplored by many, who thought it unwarranted. All the subsequent events in the history of that pathetic experiment in absolutistic and paternalistic benevolence have confirmed the judgment then formed. It was an unusual extension of industrial absolutism into other spheres of social life, especially the home life in its environment; and Pullman was surrounded by the mighty growing West, with pervasive democratic ideals. The West may be young, but its population is the reverse of unsophisticated.

Pelzer, on the other hand, is situated in a country which is emerging from primitive economic conditions—a country also where in culture and qualities of leadership there are strongly marked classes: at the top, gifted, well disposed, kindly natures, accustomed to the exercise of authority; at the bottom, amiable, tractable classes of men and women, with great possibilities, accustomed to look up for guidance to leaders. The circumstances are favorable for a larger degree of paternalism in benevolence than would work well in any other part of the United States. But here also the democratic forces are at work, and with new times will come new needs along with the old needs, both seeking new methods of satisfaction and a new expression.

Northern people may be assured of two things: first, the working people of the South have no better friends than may be found among the men and women of the South. They may be found, here and there toiling for the uplift of their humbler and needier brothers and sisters. And the evils of the industrial situation are known and keenly deplored by at least a few brave men and women the saving remnant. They may need helpers; they do not need missionaries to go among them and convert them. Again, Northern people have no ground for apprehension on account of cheap Southern labor and long hours in Southern mills. The wages are low, say from ten cents for the feeblest children to \$1 50 for a skilful adult spinner, but the labor is less efficient. And as child labor is more and more limited the wages of adult labor will tend to rise. If as a rule only one in a family works the wages must still be high enough to support a family. Where as a rule all the members of a family work wages will be low. And the long hours of labor are being shortened. A few years ago twelve hours a day was common and it is the general opinion that the hours of labor in the South must soon come down from sixty six hours to sixty a week. But once again the accumulated wealth in the South is less, the interest charges which employers must pay are higher, and in freight rates the South is at a disadvantage as has been clearly enough demonstrated by statistics gathered by Captain Smyth. The



Northern employer has a fair field and has no ground to urge the menace of Southern competition as an argument against improvement of Northern conditions.

(Adapted from Harper's Monthly, June 1902)